

[Shri O. Sobhani]

hon. the Minister will remember that and look into it.

There is another point, namely, the application of the Power Alcohol Act to the entire State of Hyderabad. We are now producing here 70,000 gallons. I have just been to the power alcohol factory and I found it very full and we can immediately go on to increase the production to two lakh gallons. There is also a ready market, because all over the State of Hyderabad a large quantity of petrol is used. I would appeal to the hon. Minister to issue directions to the Hyderabad Government to take the necessary action. Otherwise, molasses will be collected and you cannot keep them for a long time without a lot of flies getting in.

SHRI D. P. KARMARKAR : Sir, as my friend has made an appeal, I wish to make one counter appeal. We shall see that necessary action is taken wherever possible and admissible. I would like him to do what he can to appeal to the Government of Hyderabad to cooperate. Why I say this is,—when we asked for their advice in this matter, they kept quiet.

DR. P. C. MITRA (Bihar) : Sir, I want to say a few words.

MR. DEPUTY CHAIRMAN : There cannot be any speech after the Minister's reply. The question is :

That the Bill be passed.

The motion was adopted.

#### RESOLUTION REGARDING EXPORT DUTY ON MERCURY

THE MINISTER FOR COMMERCE (Shri D. P. KARMARKAR) : I beg to move :

“ That in pursuance of sub-section (2) of section 4A of the Indian Tariff Act, 1934 (XXXII of 1934), the Council of States hereby approves of the notification of the Government of India in the Ministry of Commerce and

Industry No. 35-T(1)/52, dated the 8th October 1952, by which an export duty of Rs. 300 per flask of 75 lbs. was levied on mercury with effect from the date of the said notification.”

Sir, this matter is a fairly simple one. Briefly, the position is this : In November 1950, the import of mercury was placed on the O. G. L. because it was then treated as scarce commodity and there were large scale import of mercury, happily for us. In 1949-50, the amount of mercury imported was 1793 flasks ; as against this, after the introduction of O. G. L. it jumped upto 37,660 flasks and in 1951-52 it was very much less at 59. Mr. Bhupesh Gupta is there. It is one of the advantages of having speculators. They entered into the market, bought much more than they could consume. This is one of the better effects of speculation. Because there was surplus, the import in 1951-52 was very much less at 59 flasks. Our annual consumption is estimated to be of the order of 4,000 to 5,000 flasks. Accordingly, there is still a large quantity of mercury in this country for which there is no immediate use. Repeated representations were received by Government to the effect that this large stock has blocked quite a considerable amount of capital and that export on a moderate scale would not only bring some relief to the stockists but also enable India to earn some precious foreign exchange.

After considering all aspects of the case, namely, the strategic importance of the metal, its manifold uses in industries and scientific researches, and that though the world production has of late increased, its supply can by no means be called easy, we came to the conclusion that we could easily spare 10,000 flasks without in any way affecting our supplies in the immediate as well as the near future. So, Sir, we announced a quota of 10,000 flasks for export. In the beginning, it was decided to issue licences for export to only those who owned or were in physical possession of the stocks of mercury on the 8th October

1952, but later, on representations received from the trade, it has been decided to liberalise the procedure and to entertain applications from the trade in cases where evidence of firm sale contracts is produced.

Sir, I should also inform the House that the average landed price of mercury when it was imported varied from Rs. 391 to Rs. 258 per flask. The latest quotations in the markets in the country are between Rs. 405 to Rs. 440 per flask whereas the quotation for forward delivery in the United States is \$189 or Rs. 890 per flask approximately.

SHRI RAJAGOPAL NAIDU: (Madras) : May I know what is meant by a flask ?

SHRI D. P. KARMARKAR : A flask is a flask ; in this particular case, it contains 75 lbs. In the circumstances, Government thought it proper that an export duty of Rs. 300 per flask should be levied with a view to mopping off the large difference between internal and external prices and this has been done by means of the notification referred to above. Now, in accordance with sub-section (2) of section 4A of the Tariff Act we have come before Parliament for its approval of the said notification which has already been issued. We have brought this before the House of the People which, as hon. Members are aware, has approved of it. So, Sir, the approval of this Council is necessary for regularising—not regularising, but in accordance with the law. This Resolution was adopted by the House of the People on the 13th November 1952.

Those are the brief facts, Sir. The figures are there ; the cost price is there ; the export duty could be borne by the trade and still leave a small margin to the exporter. I think, Sir, that this is a matter about which there should not be much difference of opinion. I am expecting hearty support. Sir, I move this Resolution.

47 CSDeb.

MR. DEPUTY CHAIRMAN : Resolution moved :

“ In pursuance of sub-section (2) of section 4A of the Indian Tariff Act, 1934 (XXXII of 1934), the Council of States hereby approves of the notification of the Government of India in the Ministry of Commerce and Industry No. 35-T (1)/52, dated the 8th October 1952, by which an export duty of Rs. 300 per flask of 75 lbs. was levied on mercury with effect from the date of the said notification.”

PROF. G. RANGA (Madras) : Sir, as I heard my hon. friend speaking in support of his motion, I began to feel that possibly we had not become independent and that the old British Government was still here. The British Government was able to count upon its own stores of mercury and such other materials of strategic importance in its own country, England, and in other dominions, and therefore it did not bother whether sufficient quantities of such strategic materials were kept in this country or not. Therefore, since they—or their people here—found themselves in possession of surpluses, they naturally thought of allowing the export and of getting some money out of it and adding it to their revenues. After all, we should remember, and I am sure my hon. friend knows it, that we are free and we do not have any other possession or any other country or ally, sound ally, sure ally, in possession of large quantities or sufficient quantities of mercury to place at our disposal whenever the need arises in any emergency and help us through that emergency. Again and again from this side of the House objections are being raised, and doubts are being expressed whether it would be in our interest to depend so largely either on the United Kingdom or on the United States of America or even other countries like the U. S. S. R. for the supply of these strategic materials and also for services. For we are placed in this helpless condition that we are obliged to draw support from them ; and to that extent we are obliged also to depend upon their cooperation. Is it not then our duty to try to keep for ourselves such of

[Prof. G. Ranga.]

these materials as are of strategic importance in such quantities as would enable us to be free from any kind of anxiety during the next few years ? Here is the Government, in possession of large quantities of mercury. It is not as if these quantities were not necessary. My hon. friend himself has said that this is a very important material needed by so many industries in the country. According to me, mercury is as important as sulphur. In regard to sulphur too, the other day I mentioned in this House that we were deficit. In regard to mercury also, we have no production here. We have got to get it from outside. It is of great importance. At long last, somehow or other, as he says, thanks to the speculators, we are in possession of large quantities of it. Why should we allow this export at all ?

Now, who is buying it from us ? The United States of America. If really this material is not of such importance, why should America try to buy it from us at such high price—twice the price at which we purchased it at one time ? Again, if it is of such great importance for America, why should it not be considered of even greater importance to us who are poorer, who are weaker, who are less prepared, and who have much less equipment ? I should have thought, independent that we are, and having a responsible Government today, that our Government would have come forward and declared : “We are prohibiting any kind of export. On the contrary, we want the sanction of this House as well as the other House to spend money in order to buy this material in this country, and keep it in the vaults of the Government in anticipation of any need that may arise in the future.” And after all it

would not be necessary for the Government to lock up more than a couple of crores of rupees in this. Maybe a little more. But that money would have been well invested. It would have been useful.

We have heard many a time references made to what is known as ‘stockpiling in other countries’ as a result of which prices of various strategic commodities like minerals, etc., have gone up. How is it then that we do not have any necessity to stockpile ? Here is a commodity which is already here in our possession in our own country and, why do you want to allow this commodity to be exported ? This is most extraordinary according to me, and thoroughly unjustifiable. For the mere pittance of Rs. 300 per flask of 75 lbs.....

MR. DEPUTY CHAIRMAN :  
Would you like to take some time ?

PROF. G. RANGA : No, Sir. Only two minutes more. For the mere pittance of this Rs. 300 this Government comes here in such a parsimonious manner and says “We are going to export this wonderful liquid” and everybody knows the qualities of this liquid. I for one, Sir, am very much opposed to this policy. It is wrong according to me. It is short-sighted. Therefore, it is just as well for my hon. friend, if he would only oblige the House, to take time, at least a night, think over it and come back again with a different proposition.

MR. DEPUTY CHAIRMAN : We can resume the discussion tomorrow.

The Council then adjourned till a quarter to eleven of the clock on Thursday, the 4th December 1952.